



Public Service Commission of Wisconsin

Burneatta Bridge, Chairperson
Robert M. Garvin, Commissioner
Mark Meyer, Commissioner

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

Contact: Linda Barth or Stephanie Marquis
(608) 266-9600

MEDIA FACTSHEET **November 19, 2004**

Proposed Sale of the Kewaunee Nuclear Power Plant

Background on the Kewaunee Nuclear Plant

The plant, which is located on Lake Michigan about 35 miles southeast of Green Bay, operates at 543 megawatts. It was built in 1968 and started commercial operation in June 1974. The plant is licensed by the United States Nuclear Regulatory Commission to operate through December 21, 2013.

The Application to sell the Kewaunee Nuclear Power Plant

Wisconsin Power and Light Company (WP&L), a subsidiary of Alliant Energy Corporation, had signed an agreement to sell its 41 percent ownership interest in the Kewaunee Nuclear Power Plant to Virginia-based Dominion Resources, Inc. Joint owner of Kewaunee Nuclear Power Plant, Wisconsin Public Service Corporation (WPS), a subsidiary of WPS Resources Corporation, also agreed to sell its 59 percent ownership interest in the plant to Dominion.

Dominion Resources

Dominion Resources, based in Richmond, Virginia, is a national energy company that currently oversees 6 nuclear reactors. The company's \$44.2 billion asset base includes 24,000 megawatts of electric generation, 6.4 trillion cubic feet equivalent of proved gas and oil reserves, and nearly 7,900 miles of natural gas transmission pipeline. It also operates the nation's largest natural gas storage system with 960 billion cubic feet of capacity.

The Proposed Transaction

Dominion would have paid approximately \$220 million to purchase the plant. WPS anticipated that at closing it would have received approximately \$130 million and WP&L would have received \$90 million. To help fund eventual decommissioning, Dominion would have received approximately \$400 million in decommissioning funds from Wisconsin Public Service and Wisconsin Power & Light. Approximately \$200 million in additional funds are also currently set aside for decommissioning, and the proposed sale contract would have returned these funds to the ratepayers of WPS and WP&L.

Current Public Service Commission Oversight of the Kewaunee Nuclear Power Plant

The Public Service Commission currently has authority over the cost of operating the Kewaunee Nuclear Power Plant, including review and approval of construction and improvements, recovery of rates for the costs of operating the plants and affiliated interest and securities agreements in management of the plants.

The Federal Nuclear Regulatory Commission currently regulates the safety and operation standards for the Kewaunee Nuclear Power Plant.

Public Service Commission Authority Over the Sale of the Kewaunee Nuclear Power Plant

State law required Public Service Commission approval before the two Wisconsin utilities can sell the Kewaunee Nuclear Power Plant. (Wisconsin Statutes 196.81)

If the Public Service Commission would have approved the sale of the Kewaunee Nuclear Power Plant, it would have become a wholesale power plant and would be exempt from the Public Service Commission's routine rate review process, construction approval and related state economic regulation. The law also would have allowed the Commission to condition approval upon any "requirement it deems necessary to protect the public interest." The facility would have needed to meet the safety and operation standards set by the Nuclear Regulatory Commission.

The Public Service Commission Process

The Public Service Commission began research on proposed sale of the Kewaunee Nuclear Power Plant when the utilities applied for Commission approval on December 19, 2003. The Public Service Commission conducted discovery in the case, examined the sale agreements and purchased power agreements and prepared a financial computer modeling analysis looking at each utility's electric system during the next 30 to 70 years. Technical hearings were conducted beginning June 17, 2004, and public hearings were held June 24, 2004.

At the technical hearing, PSC staff and other parties in the case provided expert testimony and exhibits. At the public hearings, citizens had the opportunity to provide their views about the project. Written public testimony was also accepted during the comment period from June 1 to June 15, or submitted at the hearings. All the testimony provided at the hearings became part of the record used by the Commission in making its decision. Administrative Law Judge David Whitcomb presided at the hearings.

Wisconsin's three Commissioners, Chairperson Burnie Bridge, Commissioner Robert Garvin and Commissioner Mark Meyer, reviewed the record in order to make their decision during today's open meeting.

More Information on the Kewaunee Nuclear Power Plant case

The documents associated with the application can be viewed on our Electronic Regulatory Filing System at <http://psc.wi.gov/>. Click on ERF System, select Search Electronic Regulatory Filing System and enter docket number 05-EI-136.

(END)